



MYRON LOWERY  
CITY COUNCIL  
District 8, Position 3

December 31, 2005

To the Citizens of Memphis:

2005 was one of the most challenging years financially that this city has ever faced. A multi-million dollar budget deficit forced the layoff of more than 2,000 full and part-time city employees. Our reserve or fund balance, which was once more than \$60 million, has been depleted in the last few years and now stands at \$1.2 million. The city has implemented a plan of action to address our fiscal woes, and one of the first corrective steps was a freeze on capital expenditures until January. The temporary halt on all capital spending will provide the necessary time to aggressively scrutinize and prioritize future construction projects.

Mother Nature also created problems for cities across the country. Memphis was spared the devastation and destruction that many of our neighboring states endured. The strong generosity of Memphis citizens was highlighted as we found ourselves responding to the human suffering all around us. As a result, our city is now better prepared for natural disasters.

The challenges we face cannot overshadow the considerable economic development strides Memphis continues to make. One of the most recent and noteworthy successes is the relocation of International Paper's corporate headquarters to Memphis. This is only the sixth time that a Fortune 500 company has relocated to the Southeast and the first time ever that any such company has relocated to Tennessee. Other developments in the business community include FedEx's \$150 million project to construct an Aircraft Maintenance Facility for the A380 aircraft, Johnson and Johnson adding 205 jobs with its \$25.2 million biomedical distribution project, and the expansion of Smith Nephew Orthopedics and Sharp Manufacturing. In addition, Memphis was awarded another Hope VI Housing Grant from the Department of Housing and Urban Development. In the past 10 years we have received \$125 million in Hope VI funding, and private residential construction in Downtown continues to accelerate.

Despite the fiscal difficulties the city is undergoing with budget issues we must now address, I am very optimistic about the future. This city is a study in resiliency and we will overcome our present obstacles. Working Together Memphis, We Will Succeed!

Sincerely,

Myron Lowery